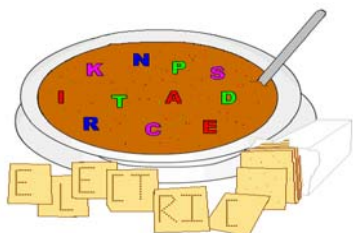




# Consumer Alert

## UNDERSTANDING YOUR ELECTRIC BILL:



The **Alphabet Soup** of Charges

Your electric utility bill presents an itemized list of charges for service that has already been provided to you over the past month that must be paid. The bill may also include messages to inform you about important matters relating to your service, such as contact numbers for reporting emergencies and the availability of alternative bill payment plans. Typical items on the electric bill include: a charge for the amount of electricity used; the cost to deliver the electricity; customer charges necessary to keep your account active such as billing, metering, and record keeping; taxes; and surcharges for a variety of specific costs not covered in the other cost categories. A summary of the specific charges and billing terms that may be included on your bill are as follows:

### A

**Account Number:** Number assigned to a service account for a specific residence.

**Account Status:** Balance and/or payments applied to an account.

**Actual Meter Read** or **ACT:** A reading that measures the exact amount of electricity used during the billing period.

**AEP/CSW Net Merger Savings Rider:** A share of estimated savings from the merger of AEP Michigan Power Company and Central and South West Company, shown as a billing credit.

### B

**Billing Month:** Number of days of usage ranging from 26-35 days.

### C

**Choice Implementation Surcharge:**

Charge that allows the company to recover program costs of customers who buy their electricity from other electrical suppliers.

**Current Bill** or **Current Charges:** Charges for the most recent usage.

**Customer Charge** (also called **System Access, Monthly Service** or **Availability Charge**): Fixed monthly charge covering costs of meter reading, billing, equipment and maintenance expenses, whether or not the service is used.

### D

**Days Billed:** Number of days in the billing cycle.

**Distribution Charge** (also called **Delivery Charge** or **Retail Transmission Services**): Cost for delivering electric energy to a home or business.

**Due Date:** Date a bill must be paid. NOTE: Bills must be paid 21 days from mailing date. Late charges may be added after 26 days.

## E

**Energy Optimization Surcharge:** Charge directed by the legislature for programs to help customers use energy more efficiently.

**Enhanced Security Surcharge:** Charge related to an Order issued by the Nuclear Regulatory Commission after September 11, 2001 for increased security at nuclear-generating facilities.

**Estimated Meter Read:** Estimated amount of electricity used during the billing period, based on past usage and weather.

## I

**Implementation Surcharge:** A rate increase that the company bills prior to MPSC approval. If the MPSC rejects or reduces the rate, a refund with interest will be received by customers on their bill.

## K

**kWh:** A measure of electricity or a unit of energy. One kWh is equal to a 100-watt light bulb burning for about 10 hours.

## N

**Nuclear Decommissioning Surcharge:** Costs to safely remove a nuclear power plant from service and return the site to a safe state for future use.

## P

**Power Supply Cost Recovery Charge (PSCR):** The actual cost of fuel a company uses to get electricity, along with the cost of

the electricity. This includes the cost to transport the electricity from generating plants to the company delivery system.

**Power Supply Energy Charge or Generation Services:** Cost for producing electricity by changing other forms of energy, such as coal or natural gas, into electricity.

## R

**Rate:** A charge, approved by the MPSC, for a unit of energy provided for customer use for a specific period of time.

**Renewable Energy (Plan) Surcharge:** Charge that offsets the cost of the company's efforts to use solar and wind power.

**Regulatory Asset Recovery Surcharge:** Charge to recover certain investments and expenses of the company during the rate freeze and rate cap imposed by Public Act 141 of 2000.

## S

**Securitization Bond and Bond Tax Charge:** Charges that cover payment of refinanced debt from its nuclear power plants.

**Sales Tax:** - 4% for residential service (6% for business service) required by Michigan Department of Treasury.

## T

**Total Amount Due** (also called **Total Account Balance** or **Total Current Charges**): Current amount owed, including any past due amounts.

**NOTE:** For a more detailed description of charges, see the MPSC website.  
[michigan.gov/mpsc](http://michigan.gov/mpsc)

